THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) There is no proposal at this stage to set up a Debts Recovery Tribunal (DRT) at Madurai. Currently there are 3 DRTs (Chennai-I Chennai-II and Coimbatore) having jurisdiction over cases pertaining to Tamil nadu and Pondicherry. The present workload in the above DRTs does not justify creation of another DRT immediately to cover cases in Tamil Nadu and Pondicherry.

Foreign investment in Nagaland

740. SHRI T. R. ZELIANG: Will the Minister of FINANCE be pleased to state:

(a) whether foreign companies have been invited by the Central Government to make investment in power, telecommunications, surface transport, tourism, banks etc. in the State of Nagaland;

(b) if so, the details thereof and foreign investors' response thereto, so far; and

(c) the steps being taken or proposed to be taken by Government to make more investment in the State under the liberalization policy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Government has put in place a liberal FDI Policy and most of the sectors have been placed under the automatic route. Investment decisions are based on the commercial judgement of the investor/s.

In the Budget speech for 2004-05, it is proposed to set up an Investment Commission which will have the broad authority of the Government to engage, discuss with and invite domestic and foreign business to invest in India.

Study on borrowers

741. SHRI A. VIJAYARAGHAVAN: Will the Miniser of FINANCE be pleased to state:

(a) whether any study is done on borrowers who are unable to repay and those who have defaulted in payments in the wake of successive droughts in different parts of the country;

(b) if so, the details thereof including the number of borrowers and total amount of loan in the above category, State-wise, category-wise as on today;

(c) whether above loans will be waived as a relief measure to the farmers;

(d) if so, the details thereof;

(e) if not, the reasons therefor;

(f) whether growth rate of long-term credit to agriculture has declined during the last one decade; and

(g) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No. Sir.

(b) Does not arise.

(c) No, Sir.

(d) Does not arise.

(e) In addition to the extant standing RBI guidelines to banks for providing relief to farmers in areas affected by natural calamities, the Government made an announcement on 18th June, 2004 envisaging the following relief measures:

(i) Debt restructuring/rescheduling and fresh loans for distressed farmers.

(ii) One time Settlement (OTS) for small and marginal farmers.

(iii) Fresh credit to farmers whose earlier debts have been settled through compromise or write off.

(iv) Loans for farmers indebted to non-institutional lenders.

RBI have issued guidelines to Commercial Banks on 24th June, 2004 and National Bank for Agriculture & Rural Development (NABARD) to Rural Cooperatives & Regional Rural Banks on 29th June, 2004 to provide relief to farmers as per the announcement.

(f) No, Sir.

(g) Does not arise.